



**SUPERVISORY AND REGULATORY GUIDELINES: 2002-2**  
**Minimum Standards for References**  
**8th August 2002**

**GUIDELINES FOR THE MINIMUM STANDARDS  
OF CHARACTER AND FINANCIAL REFERENCES**

**I. INTRODUCTION**

The Central Bank of The Bahamas (*“the Central Bank”*) is responsible for the licensing, regulation and supervision of banks and trust companies operating in and from within The Bahamas pursuant to The Banks and Trust Companies Regulation Act, 2000, and The Central Bank of The Bahamas Act, 2000. The Central Bank has the duty, in collaboration with financial institutions, to promote and maintain high standards of conduct and management in the provision of banking and trust services.

All licensees are expected to adhere to the Central Bank’s licensing and prudential requirements and ongoing supervisory programmes, including periodic onsite inspections, and required regulatory reporting. Licensees are also expected to conduct their affairs in conformity with all other Bahamian legal requirements.

**II. PURPOSE**

This Guideline outlines the minimum standards that the Central Bank will apply in assessing the acceptability of character and financial references in support of applications for shareholders, directors and senior or executive officers of banks and/or trust companies operating in and from within The Bahamas.

**III. APPLICABILITY**

This Guideline applies to all licensees and applicants.

**IV. ACCEPTANCE CRITERIA**

- (a) References must be dated within three months of receipt of the application by the Central Bank;
- (b) References must be provided in original form, and in the case of institutions must be provided on official company letterhead with the name and title of the signatory clearly presented;

- (c) References from individuals must be signed and give the signatory's name, title, address (including mailing and street addresses) and telephone and facsimile number(s);
- (d) The referee must be independent, without an interest in the acceptability of the reference and should not have a familial relationship to the applicant;
- (e) Referees must be acceptable to the Central Bank;

**(f) Character References should meet the following additional minimum standards:**

- (i) The referee should have known the applicant for a period of not less than five years and the nature of the relationship should be disclosed;
- (ii) References should address the applicant's honesty, integrity and reputation as well as the competence and capability of the applicant for the proposed role; and,
- (iii) Where a character reference is provided by an individual, that individual should be known to the Central Bank or his/her identity should be verifiable.

**(g) Financial References should meet the following additional minimum standards:**

- (i) References should be provided by a financial institution licensed to conduct banking or trust business in The Bahamas or in another jurisdiction which conducts supervision in accordance with the Basel Core Principles for Effective Banking Supervision;
- (ii) References should provide a description of the nature and conduct of the financial relationship; and,
- (iii) The relationship must have been in existence for at least three years.